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NEWS FOR IMMEDIATE RELEASE

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Attorney General Josh Kaul Sues to Block Federal Rule That Threatens to Separate Families and Force People from Their Homes

MADISON, Wis. — Attorney General Josh Kaul is joining 21 other attorneys general and the governor of Pennsylvania in challenging a new U.S. Department of Housing and Urban Development (HUD) rule that would leave thousands of families without housing or force them to live apart.

"People shouldn't have to choose between keeping a roof over their head and staying together with their family because the federal government has decided to defy federal law," said AG Kaul. "This cruel rule that would destabilize families should be invalidated."

Under the new rule, U.S. citizens and other eligible individuals in a household with at least one member who is not a U.S. citizen or eligible immigrant would be cut off from HUD assistance entirely, even though federal subsidies are already prorated to only include eligible individuals. Families who rely on that assistance could face significant financial hardship, putting them at risk of losing their homes or having to separate to keep their housing.

In a lawsuit, AG Kaul and the coalition argue that the rule illegally reverses nearly 30 years of federal policy allowing so-called "mixed-status" families to stay together and violates the Administrative Procedure Act by exceeding HUD's authority to enact this arbitrary new restriction.

For nearly 30 years, federal housing programs have provided housing assistance to low-income families even if not every household member is eligible for assistance. Under this system, known as proration, HUD reduces the family's subsidy so it covers

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only the eligible household members. Congress codified this protection in 1997, explicitly stating that families receiving prorated assistance "shall not" lose their benefits just because an ineligible family member lives with them. The new HUD rule eliminates this protection. Under the rule, a family can stay in HUD-assisted housing only if every household member is a U.S. citizen or an eligible immigrant. As a result, U.S. citizens and eligible immigrants who live with an ineligible relative will be forced to choose between maintaining their housing and keeping their family together.

Nationwide, HUD estimates that around 20,000 mixed-status families, totaling 78,100 people, will lose their housing assistance. This includes 55,000 people who are fully eligible for federal housing assistance, many of whom are children and seniors. The agency also acknowledges that the rule will lead to evictions and displacement, and that many of these families could become homeless.

The coalition asserts that the rule will increase homelessness and shift major costs onto state and local governments. By HUD's own estimates, sheltering people displaced by the rule could cost governments between $20,000 and $50,000 per person each year.

AG Kaul and the coalition argue that HUD's new rule exceeds the agency's authority and violates federal law, which expressly allows prorated assistance for mixed-status families and establishes different documentation requirements for U.S. citizens and eligible immigrants aged 62 and older. They argue that HUD also violated the Administrative Procedure Act by issuing an arbitrary and capricious rule. The coalition is asking the court to declare the rule unlawful, vacate it, and block HUD from implementing or enforcing it against the plaintiff states, their local governments, and their public housing authorities.

Joining AG Kaul in filing this lawsuit are the attorneys general of Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New Mexico, New York, Oregon, Rhode Island, Virginia, Vermont, Washington, Wisconsin, and the District of Columbia, as well as the governor of Pennsylvania.

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